

Simple Strategies that Will Help Improve Customer Retention

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Bringing in new customers to your business is hard, but retaining them is even harder. It is much easier to lose new customers. This is why you have to pay special attention to customer retention. The difference between successful businesses and the ones that fail is the amount of customer lifetime value.



Customer lifetime value is the total amount of dollars that individual customers are worth to your business. This is in relation to their purchases from the first day they start trading with you until the last day. Customer lifetime value is very important, hence the need to pay more attention to customer retention. When your customers are happy, they will do more business with you thereby increasing their customer lifetime value. *But how exactly do you keep customers from*

leaving?

Keep the Customers Happy

A hand in a blue shirt giving a thumbs up gesture. Above the hand, the word "SUPPORT" is written in large, red, 3D letters. The letter 'P' is partially obscured by the thumb.

The first rule of increasing customer retention is to keep your customers happy. Needless to say, if customers are not happy with the products and services you offer, they will soon leave. *So, how can you keep the customers happy?*

1. Track customer satisfaction

You cannot tell whether a customer is happy or not by just looking at how many times they do business with you. To get accurate information on customer satisfaction, you need net promoter score surveys. This should ask two crucial questions:

- How likely are you to recommend this product or service to a friend?
- What is the most important reason for the score?

The promoter score surveys are based on a scale of 0 to 10 where 0 not likely and 10 is extremely likely. The closer the

scores are to the 0 mark, the more likely the customer is dissatisfied. Those who respond with 9 or 10 are your promoters whereas the passive customers will give a score of 7 or 8.

2. Proactive support

Most of your customers who are not happy with your product or service will not tell you directly. A study by Lee Resources International concluded that on average, if you have one customer complaining about a problem, there are 26 other customers who have the same issue and will probably leave. This means you have to be proactive. Never ignore any one complaint from a customer.

3. Offer great customer service

The main reason why most customers leave is because of poor customer service. People are more likely to promote a business that offers great customer service. Great [customer service](#) needs to be the norm of your business if you want to increase customer retention.

Reduce Customer Effort

According to the [Harvard Business Review](#), the greatest factor in customer retention is not wowing them but rather reducing their effort. You need to make life easier for your customers if you want them to stick with you longer.

1. Be easy to find



Your business should be easy to find. This is regardless of whether you run an online business or have a single store in the city. Make the effort of making it easy for your customers to find you. The Internet is the #1 search resource when someone is seeking a new product or service, so strong SEO for your business is vital.

2. **Speed up purchase process**

How many clicks do your customers need to make in order to complete a purchase? The more the number of clicks it takes to go through the online purchase process, the higher the chances of your customers leaving. The same goes for the signup process. If it takes too long for them to complete the signup process, they will leave you.

Increase customer retention by speeding up the purchase and signup processes. The more you ask of your customers, the higher their chances of leaving you.

3. **Make it easy to contact you**

When customers need help or want to ask a question, they are definitely not having a perfect experience. Do not worsen their day by making it even harder for them to contact you. The simplest way to increase customer retention is to make it incredibly easy for your customers to get in touch with you. Have a support widget on all your web pages.

Your business should also be active on all major social media platforms. This will improve socialization with your customers.

4. **Educate your customers**

The worst thing you can do when running a business is to only provide your customers with promotional content. This will bore them. Your focus should be on educating your customers. This shows them that you care about them and they will be more compelled to stick with you. This helps the customer feel nurtured.

All your efforts should be aimed towards making your customers happy. Provide them with better products and always be there to answer their questions. When customers feel valued, they will stick with you.

***About the Author:** Derek Iwasiuk runs a firm that offers SEO services. He is focused on helping startups and small business build a better relationship with their clients. Learn more about it at engagethecrowd.com or you can connect with him on twitter @Diwasiuk.*